

TENNESSEE HOUSING DEVELOPMENT AGENCY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
FOR THE YEARS ENDED JUNE 30, 2000, AND JUNE 30, 1999
(Expressed in Thousands)

	<u>2000</u>	<u>1999</u>
<u>OPERATING REVENUES</u>		
Mortgage interest income	\$ 101,501	\$ 89,306
Investment income		
Interest	34,906	34,264
Net decrease in the fair value of investments	(3,788)	(6,648)
Fees and other income	<u>930</u>	<u>981</u>
Total operating revenues	<u>133,549</u>	<u>117,903</u>
<u>OPERATING EXPENSES</u>		
Salaries and benefits	3,186	2,988
Contractual services	984	536
Materials and supplies	148	80
Rentals and insurance	338	227
Other administrative expenses	112	34
Other program expenses	875	633
Interest expense	101,935	99,187
Mortgage service fees	5,073	4,214
Issuance costs	958	940
Depreciation	<u>8</u>	<u>74</u>
Total operating expenses	<u>113,617</u>	<u>108,913</u>
Operating income	<u>19,932</u>	<u>8,990</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Federal grants revenue	39,046	39,208
Interdepartmental tax revenue	-	18,585
Federal grants expenses	(39,046)	(39,208)
Local grants expenses	<u>(12,990)</u>	<u>(11,598)</u>
Total nonoperating revenues (expenses)	<u>(12,990)</u>	<u>6,987</u>
Income before extraordinary loss	<u>6,942</u>	<u>15,977</u>
Extraordinary loss on early retirement of debt (Note 4)	<u>(326)</u>	<u>(695)</u>
Net income	<u>6,616</u>	<u>15,282</u>
Retained earnings, July 1	<u>326,695</u>	<u>311,413</u>
Retained earnings, June 30	<u>\$ 333,311</u>	<u>\$ 326,695</u>

The Notes to the Financial Statements are an integral part of this statement.